

Wednesday, April 21, 2021

Key Indicators Can Help You Unlock the Future and Elevate Performance



Presenter:

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Moderator

Joel G. Carson

Executive Director

Geoprofessional Business Association


2020 Was a Very Unusual Year

- Boom or Bust?
 - Yes and Yes!
- What might 2021 bring?
 - Use your KPI's to gain insights and guide actions!



Long Ago and Far Away

**BEING A PRACTICAL
NOSTRADAMUS**
(You Don't Have To Outrun The Lion)
Presented by: Guy Marcozzi, PE, LEED AP BD+C



50th GBA GEOPROFESSIONAL
BUSINESS
ASSOCIATION 2019 SPRING CONFERENCE - WAILEA, HAWAII 1

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Presentation

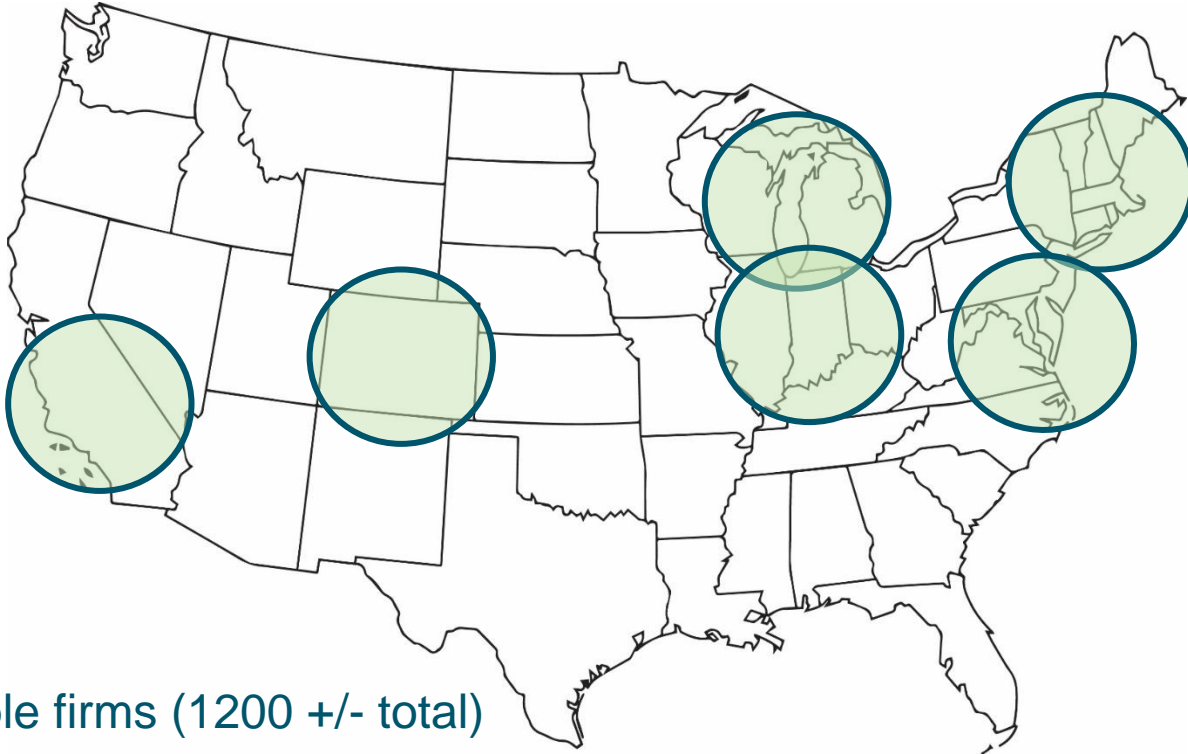


Thank You!

- Lee James
- Kurt Fraese
- Participating Firms
 - CTL Thompson
 - Earth Systems
 - GeoTechnology
 - Sanborn Head
 - SME
 - Duffield Associates, LLC

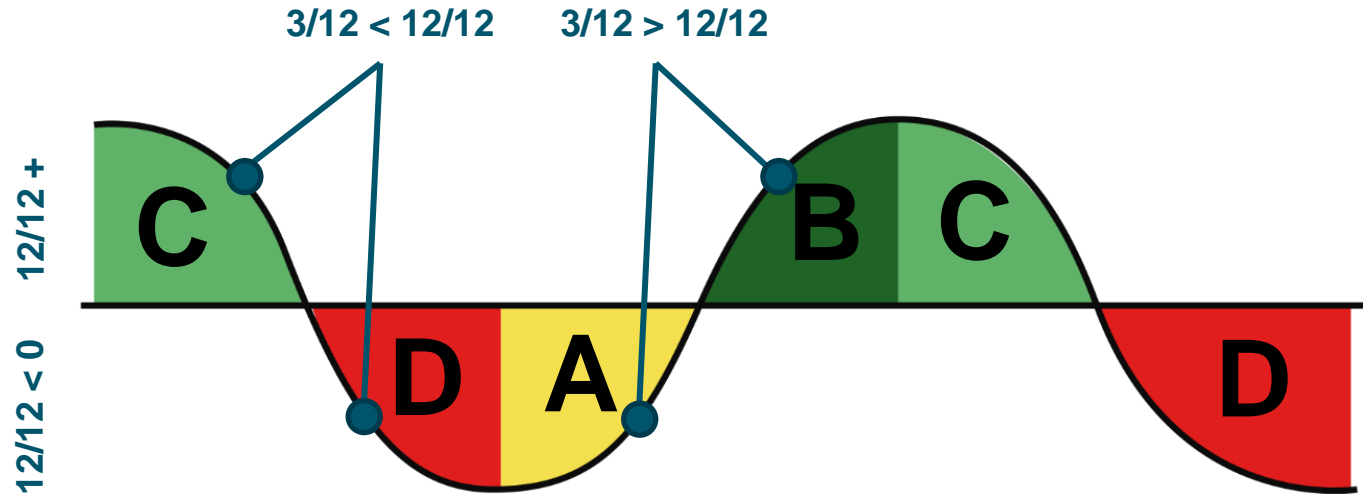


Demographics



100-350 people firms (1200 +/- total)

Business Cycles are Inevitable!



Are we GROWING... or CONTRACTING?

12/12

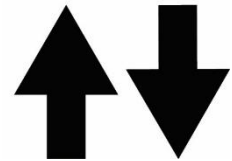
12/12 = Immediate past 12 months / Prior 12 months
(24 months of data)

Example: April 2020 through March 2021

April 2019 through March 2020

Positive 12/12 indicates **growth**

Negative 12/12 indicates **contraction**



ACCELERATING or DECELERATING?

3/12

3/12 = Most recent 3 months / prior 3 months

Example: January 2021 through March 2021

January 2020 through March 2020

Positive 3/12 indicates **getting better**

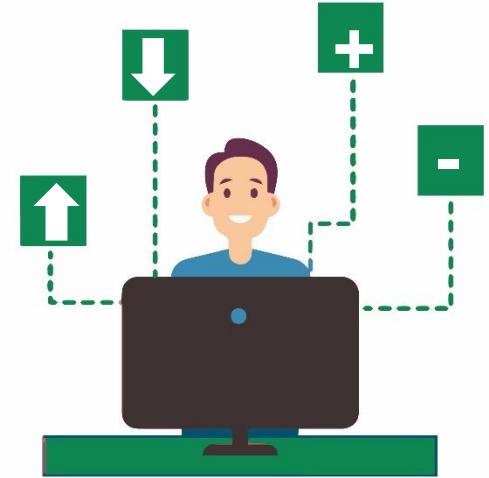
Negative 3/12 indicates **getting slower**



Follow Along at Home!

Enter data in yellow boxes

		Input Monthly KPI	12 over 12	3 over 12	1 over 12	Phase	FTEs
2019	January						
	February						
	March						
	April						
	May						
	June						
	July						
	August						
	September						
	October						
	November						
	December						
2020	January						
	February						
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	November						
	December						
2021	January						
	February						
	March						
	April						
	May						
	June						
	July						
	August						
	September						
	October						
	November						
	December						

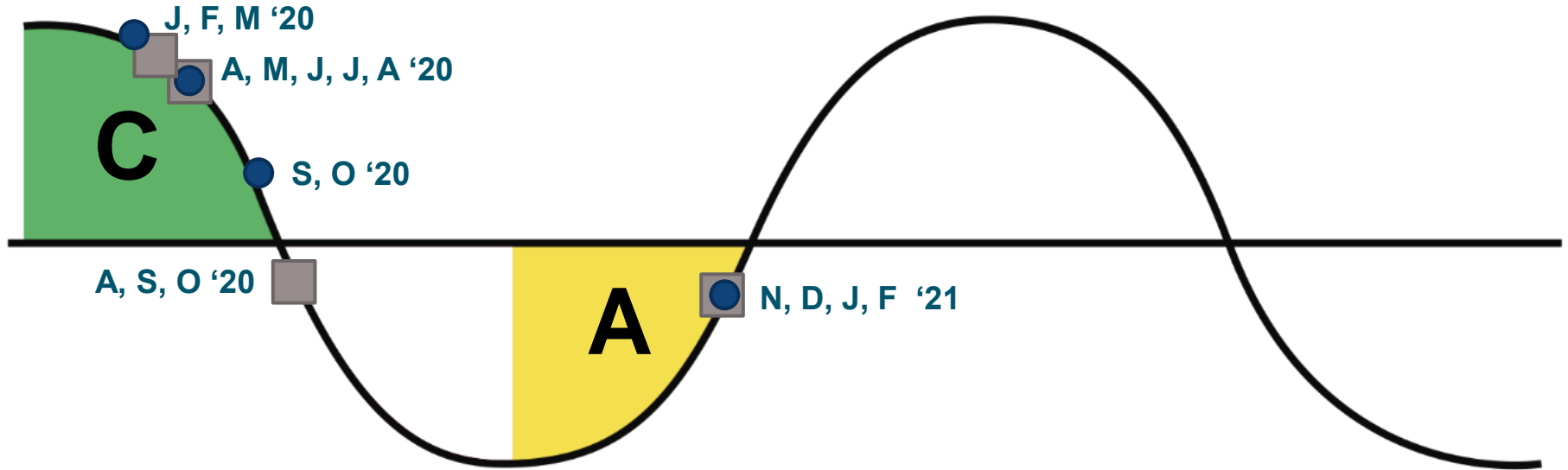


Revenue Trends (February 2021)

Revenue – Trailing Indicator

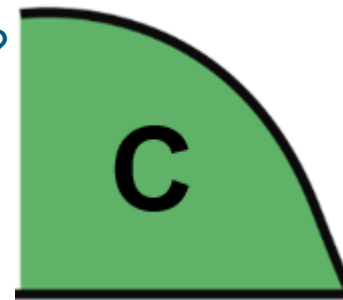
- As of February 2021
 - 12/12 turns negative in November, signaling end of long annual growth run
 - 3/12 are positive since November so it is beginning turn around
 - $3/12 > 12/12$ AND $12/12 < 1 \Rightarrow$ Entering Phase A
- Normalizing for FTE
 - 12/12 turned negative sooner in August
 - 3/12 also went positive in November signaling Recovery
 - As of February 2021: $3/12 > 12/12$ AND $12/12 < 1 \Rightarrow$ Phase A

Revenue Trends (February 2021)



Best Practices – Phase C

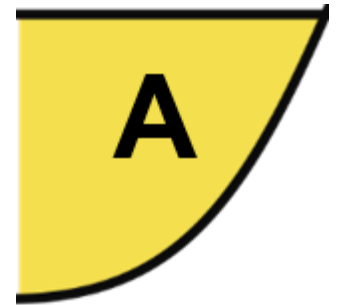
- Enjoy these times!
- Are entering, comfortably entrenched or leaving Quadrant C?
- Where you are trending should influence your decisions
 - Good time to sell your business
 - Stockpile and use cash wisely
 - Preserve great clients and seek out off cycle clients
 - Sell/spinoff weak or under-performing assets
 - Manage AR tightly & be wary of permanent overhead late cycle
 - Set specific triggers for next phase cost reductions



**Growing at
slowing rate**

Best Practices – Phase A

- The rebirth of the business cycle
 - Overcome emotional fears not founded in data
 - Could be a sign of new beginnings
 - Act decisively and take some risks
 - Hire the best talent while it's still cheap and available
 - Opportunistic timing for acquisitions/expansion
 - Secure cash flow and line up credit
 - Invest in training/technology to improve production
 - Double down on sales efforts



**Contracting but
getting better**

What Else Can We Track?



Trailing



Leading

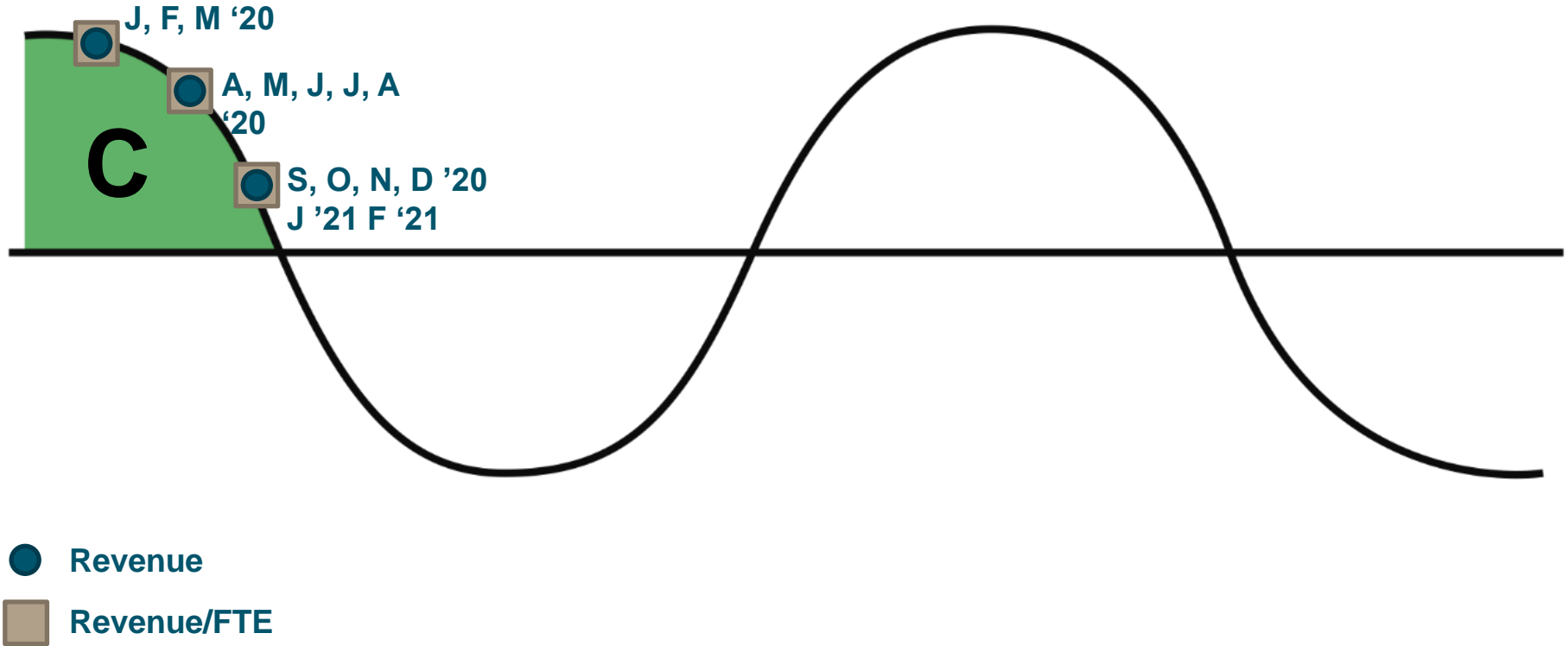
Revenue | Utilization | Backlog | Contracts | Proposals

(Already Happened)

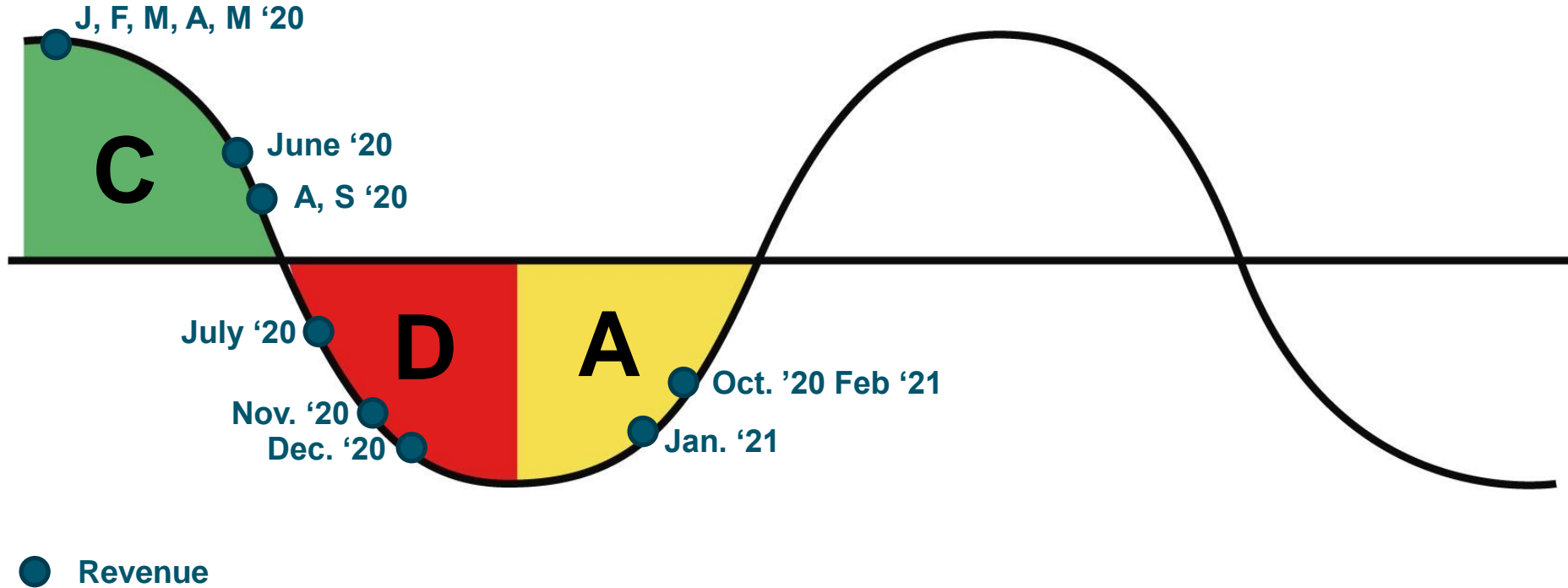
(Might Happen)

- Leading KPI's give better insight into the **FUTURE!**

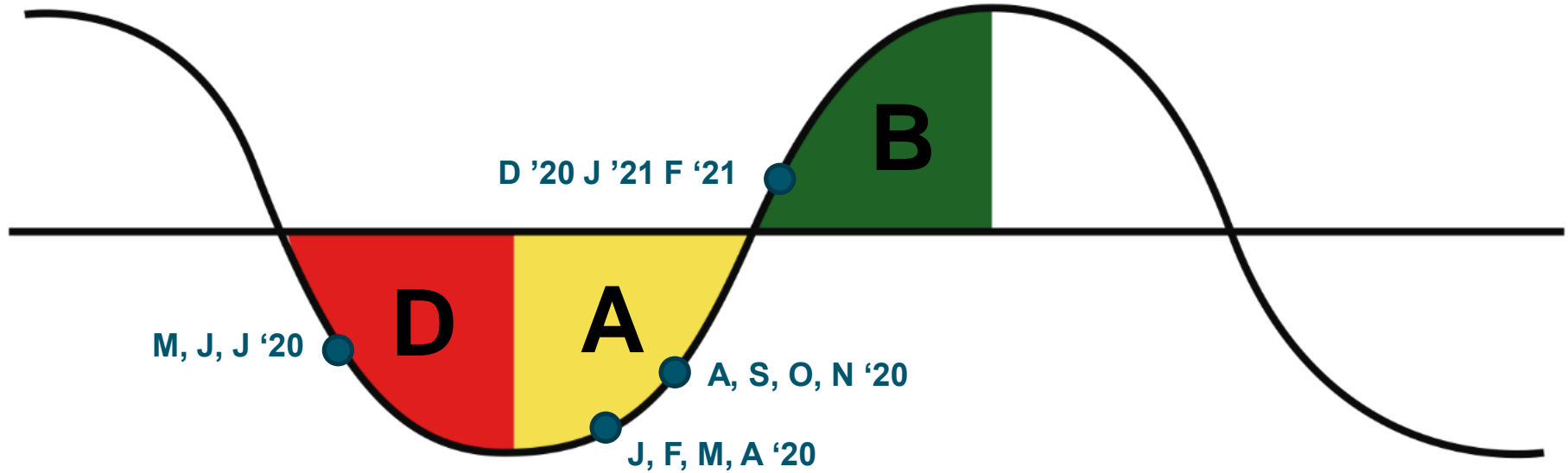
Backlog Trends (February 2021)



New Contracts \$ (February 2021)



New Contracts # (February 2021)



● Revenue

Best Practices – Phase D

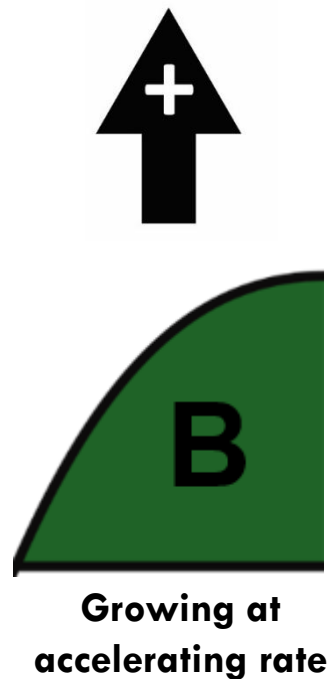
- The inevitable phase that you need to mitigate
 - Push button early on your contingency plans
 - Don't use assets to avoid hard decisions
 - Be proactive to resolve claims
 - Reassure and handle top talent with kid gloves
 - Opportunity for “wood pile” process improvements
 - Renegotiate leases and long-term commitments
 - Consolidate departments and management
 - Maintain selectivity (don't be desperate)
 - Keep an eye out for the next cycle change and be ready



**Contracting and
getting worse**

Best Practices – Phase B

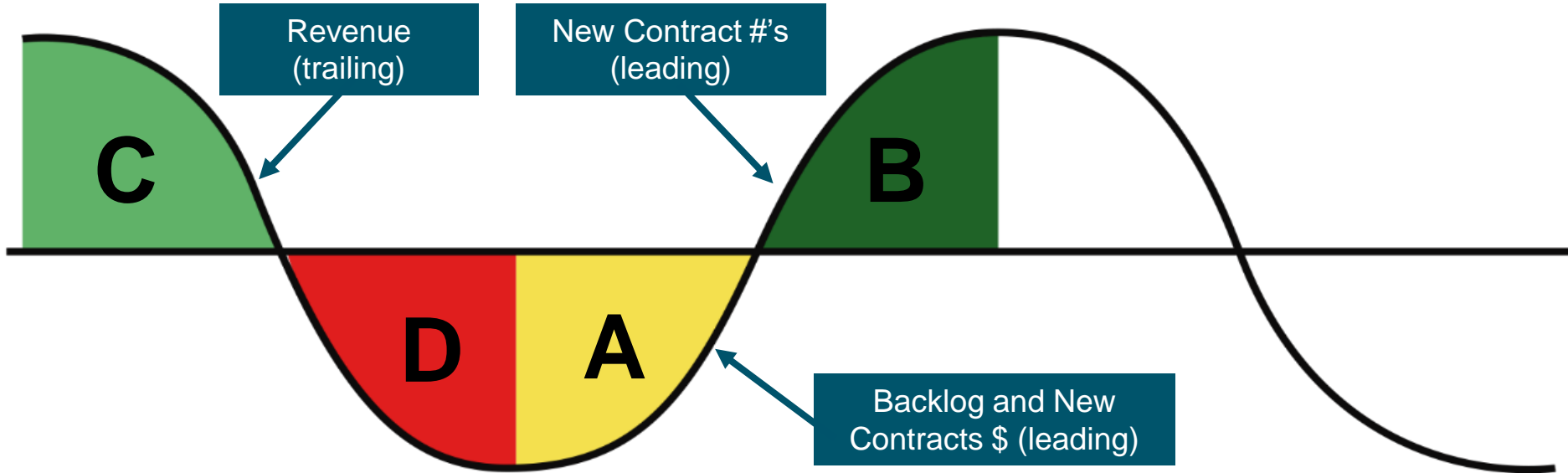
- The “goal” phase of most businesses
 - Can feel very hectic
 - Increase billing rates
 - Maintain and pursue quality/loss prevention
 - Remove process bottlenecks
 - Outsource non-core competencies
 - Expand into new markets with growth prospects
 - Chase unicorn clients
 - Be careful to not outgrow your cash flow
 - It will not last forever, but pat yourself on the back as the brilliant executive that you are



General Observations

- Geoprosessionals were doing very well Pre-Pandemic
- Geoprosessionals generally weathered the storm well
- Backlog has held strong and remains a positive
- Some of our clients were hit harder than others
- More broadly, more sectors may be starting to recover
- Expect more growth in the coming quarter

Trends Point to Recovery!



Questions?

